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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKETING AREA
DECEMBER 1971

Volume 16

Number 5

Released Pursuant to §1090.27 (j) and §1090.85, USDA-C&MS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - DECEMBER 1971

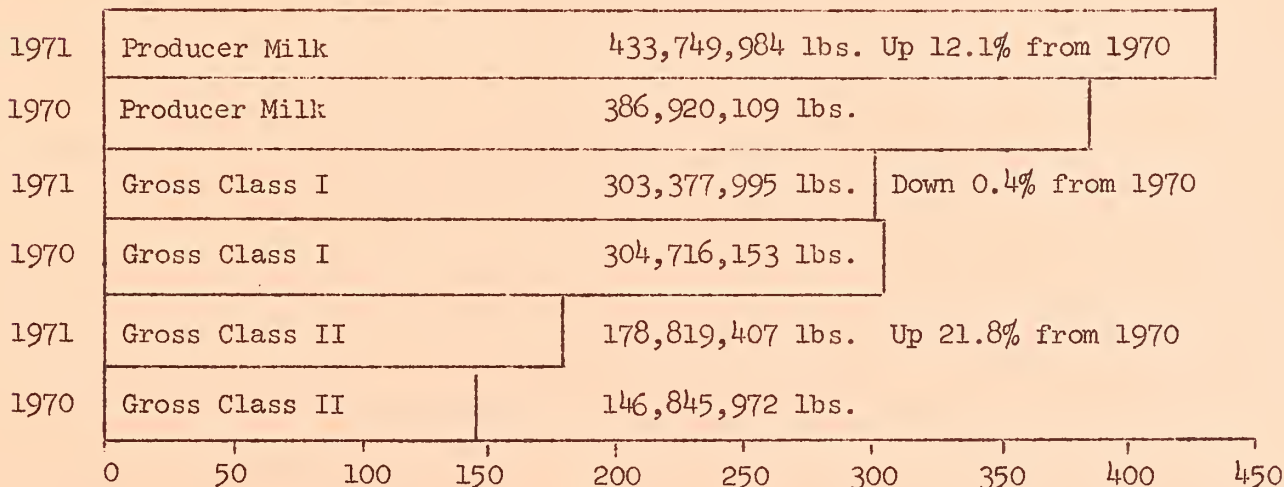
The Chattanooga Order MINIMUM uniform producer price is \$6.20 per cwt. at pool plants (0-65 mile zone) for milk testing 3.5% butterfat. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 3.5% test. Producer milk prices are also subject to the location adjustment of the plant at which milk was received per \$1090.53 and \$1090.74.

In December 1971, 61.8% of producer milk received by pool plants was priced in Class I at \$6.99 per cwt. and 38.2% was priced in Class II at \$4.93 per cwt. The December butterfat differential for Class I was 8.2 cents and Class II was 7.8 cents.

Total producer milk received at pool plants during December 1971 was 37,468,539 pounds which is an increase of 3,257,716 pounds or 9.5% compared with December 1970. The December daily average deliveries from 767 producers was 1,576 pounds. This compares to 743 farms delivering a daily average of 1,485 pounds per day during December 1970.

COMPARISON OF PRODUCER RECEIPTS AND GROSS CLASS UTILIZATION

(January thru December)



(Million Pounds)

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Dec. '71			
	Over	Dec.	Nov.	Dec.
	Dec. '70	1971	1971	1970
Number of Plants - Pool		7	7	6
- Non-Pool		14	13	13
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 9.5	1,208,663	1,203,297	1,103,575
Other Source	+26.9	34,055	35,695	26,838
Other Federal Orders	+62.6	134,175	127,337	82,500
TOTAL MILK RECEIPTS	+13.5	1,376,893	1,366,329	1,212,913
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	- 0.7	443,209	467,405	446,280
Skim	- 2.7	20,646	21,660	21,214
2% Milk	+27.2	136,970	136,399	107,703
Buttermilk	+ 7.9	57,571	58,287	53,334
Flavored Milk and Drink	+15.0	18,297	20,750	15,912
Creams (Sweet and Sour)	+10.0	4,907	3,921	4,459
Yogurt	+45.6	380	646	261
Sub-Total - Pkg. Products (Pool Plants)	+ 5.1	681,980	709,068	649,163
Other (Shrinkage, Inventory, etc.)		1,169	7,184	530
Sales to Non-Pool Plants		111,380	134,168	124,532
In-Area Sales by Non-Pool Plants	- 9.4	43,472	48,772	47,968
TOTAL CLASS I MILK	+ 1.9	838,001	899,192	822,193
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+26.9	48,149	51,823	37,929
Cottage Cheese	- 7.4	31,378	37,575	33,880
Powdered, Condensed Milk		16,917	-0-	36,501
Livestock Feed and Milk Dumped		10,098	7,413	7,202
Sub-Total - Used to Produce	- 7.8	106,542	96,811	115,512
Shrinkage Class II		11,122	18,039	7,128
Other (Inventory Variation, etc.)		3,445	(2,345)	(900)
Bulk Sales to Non-Pool Plants		417,783	354,632	268,980
TOTAL CLASS II MILK	+37.9	538,892	467,137	390,720
Class I Pkg. Lbs. In Area - Pool Plants	+ 6.9	508,664	531,637	475,624
Class I Pkg. Lbs. Out of Area - Pool Plants	- 0.1	173,316	177,431	173,539
Class I Pkg. Lbs. In Area - Non-Pool Plants	- 9.4	43,472	48,772	47,968
% Producer Milk of Gross Class I		144.2	133.8	134.2
% Producer Milk Priced in Class I		61.8	66.1	68.9

PLANTS DISTRIBUTING MILK IN FEDERAL ORDER NO. 90 AREA - DEC. 1971POOL PLANTS - CHATTANOOGA

Dairymen, Inc. - Chattanooga

Happy Valley Farms, Inc.

Mayfield Dairy Farms, Inc.

Ray Moss Farms, Inc.

Nance Dairy, Inc.

National Farmers Organization

Sealtest Foods

FEDERAL ORDER NO. 98 - NASHVILLE

Avalon Dairies, Inc.

FEDERAL ORDER NO. 33 - OHIO VALLEY

Kroger Company

FEDERAL ORDER NO. 7 - GEORGIA

Dempsey Brothers Dairies, Inc.

Farmbest, Inc.

Meadowbrook Dairy, Inc.

Meadow Gold Dairies of Georgia

Superbrand Dairy Products, Inc.

FEDERAL ORDER NO. 101 - KNOXVILLE

Broadacre Dairies, Inc.

Norris Creamery, Inc.

Pet, Inc.

Stoffell's Dairy, Inc.

Wolfe Enterprises, Inc.

PARTIALLY REGULATED - CHATTANOOGA

Coble Dairy Products Cooperative, Inc.

Tro-Fé Dairy Company, Inc.

COMPUTATION OF PRODUCER UNIFORM PRICE

Page 3

DECEMBER 1971	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		25,978,029	3.199		
Less Other Source		2,835,332	2.498		
Producer Milk Class I	61.8	23,142,697	3.284561	\$6.813340	\$1,576,790.63
Gross Class II		16,705,662	5.007		
Less Other Source		2,379,820	3.914		
Producer Milk Class II	38.2	14,325,842	5.188295	6.246870	894,916.73
TOTAL PRODUCER MILK (Cl.I+Cl.II)	100.0	37,468,539	4.012441		\$2,471,707.36
Add Fractional Adjustment					.02
Add Value of Overage					160.55
Add Value of Class I Other Source and Producer Location Adjustment		10,379	0.00		7,430.44
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					12,744.19
TOTAL VALUE AT TEST		37,478,918	4.011330	\$6.649185	\$2,492,042.56
Less Test over 3.5% @ 8.0¢ per point		37,478,918	.511330	0.409064	153,312.76
TOTAL UTILIZATION VALUE AT 3.5%		37,478,918	3.5	\$6.240121	\$2,338,729.80
Less Reserve per \$1090.71 (f)		37,478,918		.040121	15,036.92
PRODUCER UNIFORM PRICE - 3.5% TEST		37,478,918	3.5	\$6.20	\$2,323,692.88

DECEMBER 1971 MINIMUM PRODUCER PRICES CWT. f.o.b. POOL PLANTS (0-65 mile zone)
 BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.80	3.6	\$6.28	4.2	\$6.76	4.8	\$7.24	5.4	\$7.72
3.05	5.84	3.65	6.32	4.25	6.80	4.85	7.28	5.45	7.76
3.1	5.88	3.7	6.36	4.3	6.84	4.9	7.32	5.5	7.80
3.15	5.92	3.75	6.40	4.35	6.88	4.95	7.36	5.55	7.84
3.2	5.96	3.8	6.44	4.4	6.92	5.0	7.40	5.6	7.88
3.25	6.00	3.85	6.48	4.45	6.96	5.05	7.44	5.65	7.92
3.3	6.04	3.9	6.52	4.5	7.00	5.1	7.48	5.7	7.96
3.35	6.08	3.95	6.56	4.55	7.04	5.15	7.52	5.75	8.00
3.4	6.12	4.0	6.60	4.6	7.08	5.2	7.56	5.8	8.04
3.45	6.16	4.05	6.64	4.65	7.12	5.25	7.60	5.85	8.08
3.5	6.20	4.1	6.68	4.7	7.16	5.3	7.64	5.9	8.12
3.55	6.24	4.15	6.72	4.75	7.20	5.35	7.68	5.95	8.16

USDA RECOMMENDS AMENDING FEDERAL MILK ORDERS

The U. S. Department of Agriculture has recommended amending all Federal milk marketing orders, except the South Texas order, to provide for earlier announcements of the monthly minimum Class I (bottling milk) prices to be paid by handlers, and to base the Class I prices on earlier manufacturing milk data (basic formula price) than at present. The recommendations are based on evidence from a public hearing held in Washington December 13. It was requested by the Milk Industry Foundation representing handlers doing business under all of the orders.

Specifically, the recommendations would:

1. Require that the Class I prices for each month be announced by the fifth day of the preceding month.
2. Use the basic Minnesota-Wisconsin manufacturing milk price series for the second preceding month, instead of for the immediately preceding month, in computing the Class I prices.

The complete recommended amendments to the orders are scheduled to be published in the Federal Register on January 11, and exceptions may be filed up to January 17, 1972. Copies of the recommended decision may be obtained from the market administrators of the orders, or from the Dairy Division, C&MS, U. S. Dept. of Agriculture, Washington, D. C. 20250.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Uniform	Per Hundredweight		Bf. Dif.	Class I		Class II	
		Base	Excess		Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Dec. '70	\$6.30	-	-	8.2¢	\$6.97	8.4¢	\$4.83	8.1¢
Jan. '71	6.28	-	-	8.2	6.98	8.4	4.79	8.0
Feb.	6.36	-	-	8.2	6.94	8.4	4.83	8.0
Mar.	6.21 2/	\$6.32	\$4.81	8.2	6.98	8.4	4.81	8.0
Apr.	6.04 2/	6.20	4.83	8.2	6.96	8.4	4.83	7.8
May	5.97 2/	6.17	4.77	8.0	6.98	8.1	4.77	7.8
June	5.95 2/	6.09	4.76	8.0	6.92	8.1	4.76	7.8
July	5.95 2/	6.09	4.77	8.0	6.91	8.1	4.77	7.8
Aug.	5.92	-	-	8.0	6.92	8.1	4.77	7.8
Sept.	6.30	-	-	8.0	6.92	8.1	4.83	7.8
Oct.	6.35	-	-	8.0	6.98	8.2	4.82	7.8
Nov.	6.25	-	-	8.0	6.97	8.2	4.84	7.8
Dec.	6.20	-	-	8.0	6.99	8.2	4.93	7.8
Jan. '72	-	-	-	-	7.08	8.2	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE			
	Chi. 92° Butter	Chi. Powder	Area Minn/Wisc. Mfg. Milk	Basic Formula	(Daily Average)			
	¢ Lb.	¢ Lb.	Cwt-3.5%	Minimum	Class I Pounds	Test-%	Class II Pounds	Test-%
Dec. '70	70.40	26.90	\$4.83	\$4.33	760,876	3.36	342,699	5.48
Jan. '71	69.77	26.91	4.79	4.33	775,537	3.32	326,520	5.91
Feb.	69.78	27.12	4.83	4.33	770,040	3.34	251,416	6.51
Mar.	69.78	27.21	4.81	4.33	708,198	3.27	347,418	5.33
Apr.	67.78	29.19	4.83	4.33	749,022	3.23	536,940	4.46
May	67.78	31.57	4.77	4.33	751,952	3.18	604,745	4.25
June	67.78	31.55	4.76	4.33	696,375	3.19	545,571	4.27
July	67.78	31.63	4.77	4.33	693,356	3.22	543,645	4.25
Aug.	67.78	31.53	4.77	4.33	632,385	3.22	510,832	4.28
Sept.	68.13	31.63	4.83	4.33	872,513	3.28	336,032	4.84
Oct.	67.95	31.70	4.82	4.33	844,555	3.25	341,121	5.26
Nov.	67.94	31.61	4.84	4.33	795,557	3.28	407,740	5.22
Dec.	67.96	31.63	4.93	4.33	746,539	3.28	462,124	5.19

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/			PRODUCER DATA				DELIVERIES PER		
	No. Hdlers	Total Receipts	Class I Use	No. Prod.	Total Delivery	Base Delivery	Average Test-%	Farm Prod.	Base	Pounds Exc.
Dec. '70	19	1,212,913	822,193	743	1,103,575	-	4.02	1,485	-	-
Jan. '71	19	1,201,136	838,128	739	1,102,057	-	4.09	1,491	-	-
Feb.	19	1,130,134	833,673	731	1,021,456	-	4.12	1,397	-	-
Mar.	19	1,169,574	771,192	693	1,055,616	980,583	3.95	1,523	1,415	108
Apr.	20	1,411,347	812,400	854	1,285,962	1,142,972	3.74	1,506	1,338	168
May	20	1,489,326	810,302	890	1,356,697	1,167,808	3.66	1,524	1,312	212
June	20	1,346,798	746,820	886	1,241,946	1,117,489	3.67	1,402	1,261	141
July	21	1,372,089	791,680	905	1,237,001	1,109,761	3.67	1,367	1,226	141
Aug.	20	1,286,252	724,933	792	1,143,217	-	3.69	1,443	-	-
Sept.	20	1,356,381	967,949	789	1,208,545	-	3.71	1,532	-	-
Oct.	20	1,334,666	943,324	789	1,185,676	-	3.83	1,503	-	-
Nov.	20	1,366,329	899,192	767	1,203,297	-	3.94	1,569	-	-
Dec.	21	1,376,893	838,001	767	1,208,663	-	4.01	1,576	-	-

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I